

DOWNTOWN DEVELOPMENT AUTHORITY

MANCELONA, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Downtown Development Authority	County Antrim
Audit Date 2/28/05	Opinion Date 6/9/05	Date Accountant Report Submitted to State: 8/22/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

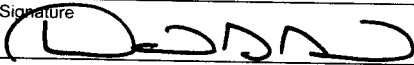
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Daniel S. Smith, CPA			
Street Address 114 S. Center Ave Suite 108		City Gaylord	State MI
Accountant Signature 		ZIP 49735	Date 8/22/05

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

FRED BUHLAND – PRESIDENT

NEVA MARCONERI – VICE PRESIDENT

MIKE BIEHL – TREASURER

YOUSSEF JABARA – VILLAGE PRESIDENT

STAN BARNETT

CLIN KARNER

LUCIAN KEIL

DAN ROBINSON

LARRY MEYER

BILL ROBERTSON

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June 6, 2005

INDEPENDENT AUDITOR'S REPORT

To the Downtown Development Authority
Mancelona, Michigan

I have audited the accompanying financial statements of the governmental activity and the major fund of the Mancelona Downtown Development Authority as of and for the year ended February 28, 2005, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Development Authority, a component unit of the Village of Mancelona, Michigan as of February 28, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, on pages 3-5, and the statement of revenues, expenditures, and changes in fund balance – budget and actual – page 19, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in black ink, appearing to read 'D. Smith', with a stylized flourish at the end.

Daniel S. Smith, CPA

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED FEBRUARY 28, 2005

This section of the annual financial report of the Mancelona Downtown Development Authority presents our discussion and analysis of the entity's financial performance during the fiscal year ended February 28, 2005. Please read it in conjunction with the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. The change in nets assets, as calculated on the full accrual basis of accounting was a decrease of \$82,172. The excess of revenues over expenditures as calculated on the modified accrual basis of accounting was \$1,473.

Assets increased slightly from the prior year. However, with the assumption of the capital lease obligation, liabilities increased by \$83,644 over the prior year.

Overall revenues were \$44,122, all of which are general in nature. Total expenses, as calculated on the accrual basis of accounting, amounted to \$5,075.

The Authority's revenues consist entirely of property taxes, collected from the Village of Mancelona and Mancelona Township for properties within the DDA district, and interest earnings. The Authority's revenue amounts are moderately increased from the prior year.

The Authority was involved in community projects during the year which included purchasing flowers for the downtown area and improving street lighting for W. State Street in Mancelona.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: The management discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the entity.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status.

The remaining statements are fund financial statements, which focus on individual parts of the entity in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Authority as a whole using the accrual accounting method, as used by private companies. The Statement of Net Assets includes all of the Authority's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Authority's assets and liabilities; this is one method to measure the Authority's financial health or position.

Over time, increases/decreases in an Authority's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Authority, you may also have to consider additional factors such as tax base changes.

The activities of the Authority are reported as governmental activity. The Authority has no business-type activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Authority's funds, focusing on significant (major) funds, not the entity as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. They also may be created by the entity's board. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The entity has the following types of funds:

General Fund – All of the Authority's activities are included in this fund. The fund is presented on the modified accrual basis, which is designed to show short-term

financial information. You will note that differences between the government-wide statements and the fund statements are disclosed to explain the differences between them.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net assets decreased during the year, impacted primarily by the addition to its long-term debt. The total net assets balance at the end of the year was (\$105,997).

FINANCIAL ANALYSIS OF THE AUTHORITY 'S FUNDS

The activities of the general fund have remained constant, consisting of contractual services and other operating costs and community projects. The revenues collected to fund the activities increased slightly due to an increase in taxable values within the DDA district. The excess of revenues over expenditures was \$1,473 in the fund financial statements.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: The Authority owns no capital assets.

Long-Term Debt: The Authority has agreed to service two capital lease agreements in the name of the Village of Mancelona used to finance the purchase of street lights within the DDA district. The Authority paid \$37,574 to the Village during the year to satisfy the debt requirements.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

None.

CONTACTING ENTITY MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the entity's finances and to demonstrate the entity's accountability for the revenues it receives. If you have any questions concerning this report please contact Ms. Joan Shannahan.



Fred Buhland, DDA President

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
FEBRUARY 28, 2005

ASSETS	
Cash - Checking	\$ 10,790
Cash - Savings	33,031
Property Taxes Receivable	43,826
Total Assets	<u>87,647</u>
LIABILITIES	
Current Liabilities	
Current Portion of Long-Term Debt	36,734
Long-Term Liabilities	
Capital Leases- Village of Mancelona	156,910
Total Liabilities	<u>193,644</u>
NET ASSETS	
Net Assets (Deficit), Unreserved	<u>\$ (105,997)</u>

See accompanying notes to the financial statements

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2005

	<u>P R O G R A M</u>			<u>R E V E N U E S</u>		<u>NET REVENUE/ (EXPENSE) AND CHANGE IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS & CONTRIBUTIONS</u>	<u>CAPITAL GRANTS & CONTRIBUTIONS</u>	<u>TOTAL</u>	
GOVERNMENTAL ACTIVITY						
Preservation/Beautification of Downtown Mancelona Area	\$ (5,075)	\$ -	\$ -			\$ (5,075)
GENERAL REVENUES						
Property Taxes						43,826
Interest Income						296
Total General Revenues						44,122
Other Financing Activity						
Capital Lease Obligation						(121,219)
Change in Net Assets						(82,172)
Net Assets, Beginning of Year						(23,825)
Net Assets, End of Year						\$ (105,997)

See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
FEBRUARY 28, 2005**

ASSETS

Cash - Checking	\$ 10,790
Cash - Savings	33,031
Property Taxes Receivable	43,826
	<hr/>
Total Assets	87,647
	<hr/> <hr/>

LIABILITIES

Accounts Payable	-
	<hr/>
Total Liabilities	-
	<hr/>

FUND EQUITY

Fund Equity	
Fund Balance - Unreserved	87,647
	<hr/>
Total Fund Equity	87,647
	<hr/>
Total Liabilities and Fund Equity	\$ 87,647
	<hr/> <hr/>

See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FEBRUARY 28, 2005**

TOTAL FUND BALANCE - PER BALANCE SHEET	\$ 87,647
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**Amounts reported for governmental activities in the Statement
of Net Assets are different because:**

Long-term liabilities, including the capital leases payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(193,644)
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TOTAL NET ASSETS - PER STATEMENT OF NET ASSETS	\$ (105,997)
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See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED FEBRUARY 28, 2005**

REVENUES

Property Taxes	\$ 43,826
Interest Income	296
	<hr/>
Total Revenues	44,122
	<hr/>

EXPENDITURES

Administrative Costs	2,400
Audit	1,300
Community Projects/Flowers	990
Insurance	318
Postage	61
Miscellaneous	6
	<hr/>
Total Expenditures	5,075
	<hr/>

Excess (Deficiency) of Revenues Over Expenditures	39,047
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OTHER FINANCING SOURCES (USES)

Lease Payments to Village - Street Lighting	(37,574)
	<hr/>

Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,473
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Fund Balance - Beginning of Year	86,174
	<hr/>

Fund Balance - End of Year	\$ 87,647
	<hr/> <hr/>

See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2005**

NET CHANGE IN FUND BALANCE - PER STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	\$ 1,473
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**Amounts reported for governmental activities in the Statement
of Activities are different because:**

Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide financial statements, long-term debt is recorded and debt service payments are applied against the outstanding balance.	37,574
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The DDA entered into an agreement with the Village of Mancelona to pay for the street lighting on W. State Street. This obligation does not flow through the fund statements, but is recorded as an "other" financing activity in the government-wide statements.	(121,219)
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CHANGE IN NET ASSETS - PER STATEMENT OF ACTIVITIES	\$ (82,172)
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See accompanying notes to the financial statements

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE A: ENTITY

The Downtown Development Authority was organized in July, 1994, by the Village of Mancelona, under Public Act 197 of the State of Michigan. Its purpose is to analyze the impact of economic changes and growth in the downtown district. The district is defined by Village Ordinance 74.

The Village of Mancelona has been designated as the financial oversight agency of the Authority. The Authority is presented as a discrete component unit in the financial statements of the Village.

Upon dissolution of the Authority, all remaining assets and liabilities will revert to the Village of Mancelona.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Mancelona Downtown Development Authority are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures, of the Authority's financial activities for the fiscal year ended February 28, 2005.

The accounting policies of the Authority conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On March 1, 2003, the Authority adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Village's financial statements has shifted from a fund focus to a government-wide focus.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Authority as a whole. Individual funds are not displayed, but the statements distinguish governmental activities from business-type activities, generally financed in whole or in part with fees charged to external customers. Due to the nature of the operations of the Authority, there are no business-type activities. It is a single-purpose government engaging in only governmental activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The Authority engages in one functional activity – the preservation and beautification of downtown Mancelona. Program revenues include: (1) charges for services which report fees and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program users. At this time the Authority has no program revenues. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for the Authority's governmental fund.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Authority reports the following major governmental funds:

General Fund – this fund reports operations that provide services to the downtown district which are financed primarily by property tax revenues.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability occurs, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

PROPERTY TAXES

Taxes are levied on parcels in the district each year and are recognized as revenue in that fiscal year. Taxes are assessed on a lien date of either July 1st or December 1st, depending if it is the Village tax or Township tax. The tax revenue is calculated by multiplying the number of mills times the increase in taxable value from the base year. The base year (1995) taxable value was \$3,349,178 the 2004 taxable value was \$5,042,709, creating an incremental taxable value of \$1,693,531.

CAPITAL ASSETS AND DEPRECIATION

The Authority owns no capital assets. Ownership of any assets purchased with the Authority's fund reverts to the Village of Mancelona.

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNT/PREMIUMS

In the government-wide and financial statements, outstanding debt is reported as a liability. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Authority's actual expenditures and budgeted expenditures have been shown on a line-item basis. The approved budget of the Authority was adopted on a fund basis.

Budgets on the Authority are prepared by the board and presented to the Village Council of Mancelona for approval before March 1 of each year. Amendments are also approved by the Village Council as needed.

During the year ended February 28, 2005, no over expenditures were noted. The budget as adopted ends on February 28 of each year. There are no carryover budget items. The budget is adopted on the modified accrual basis of accounting.

NOTE C: CASH AND CASH EQUIVALENTS

Cash consists of bank accounts with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in the Mancelona, Michigan area. The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 – Uncollateralized.

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Cash Deposits	<u>\$ 43,802</u>	<u>\$ 43,802</u>	<u>-</u>	<u>-</u>	<u>\$ 43,802</u>

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2005**

NOTE D: DUE FROM OTHER GOVERNMENTS

Property tax revenues for the year ended February 28, 2005 are recognized and receivable as follows:

Village of Mancelona	\$ 25,190
Mancelona Township	<u>18,636</u>
Total	<u>\$ 43,826</u>

Management considers the receivable balance to be fully collectible.

NOTE E: LONG-TERM DEBT

CAPITAL LEASE

In January 2003, the Village of Mancelona entered into a capital lease agreement in order to finance a street lighting project within the downtown district. The street lights are owned by and the debt was incurred by the Village; therefore, those activities are recorded in the Village's financial statements. However, the Authority has agreed to service the capital lease obligation. Accordingly, the amount payable to the Village to satisfy the debt service requirements has been recorded as a long-term liability in the Authority's Statement of Net Assets. The debt is to be repaid in semi-annual installments of \$10,000 beginning July 1, 2003 through July 1, 2009.

In March 2004, the Village of Mancelona entered into a second capital lease agreement to finance a street lighting project on West State Street. The lights and debt are in the name of the Village. However, the DDA has agreed to service this obligation as well. The semiannual payments are \$8,637 through October, 2011.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED FEBRUARY 28, 2005**

NOTE E: LONG-TERM DEBT (CONTINUED)

Following is a schedule of the future payments on an annual basis:

Year ended February 28, 2006	\$37,274
2007	37,274
2008	37,274
2009	37,274
2010	27,274
2011	<u>17,274</u>
Total	<u>\$ 193,644</u>

NOTE F: INSURANCE

Liability insurance is paid for by the Village of Mancelona.

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
YEAR ENDED FEBRUARY 28, 2005

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 40,977	\$ 40,977	\$ 43,826	\$ 2,849
Interest Income	-	-	296	296
Total Revenue	<u>40,977</u>	<u>40,977</u>	<u>44,122</u>	<u>3,145</u>
EXPENDITURES				
Administrative Costs	2,400	2,400	2,400	-
Audit	700	700	1,300	(600)
Community Projects/Flowers	600	600	990	(390)
Insurance	325	325	318	7
Postage	200	200	61	139
Miscellaneous	-	-	6	(6)
Legal Fees	1,000	1,000	-	1,000
Association Fees	500	500	-	500
Travel	500	500	-	500
Advertising	200	200	-	200
Telephone	100	100	-	100
Capital Outlay	10,000	10,000	-	10,000
Total	<u>16,525</u>	<u>16,525</u>	<u>5,075</u>	<u>11,450</u>
Excess (Deficiency) of Revenues Over Expenditures	24,452	24,452	39,047	14,595
OTHER FINANCING SOURCES (USES)				
Lease Payments to Village - Street Lighting	(38,000)	(38,000)	(37,574)	426
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(13,548)	(13,548)	1,473	15,021
Fund Balance - Beginning of Year	<u>86,174</u>	<u>86,174</u>	<u>86,174</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 72,626</u>	<u>\$ 72,626</u>	<u>\$ 87,647</u>	<u>\$ 15,021</u>

See accompanying notes to the financial statements